



Deputy  
Commissioner  
Robert G. Nunes

Local Officials Directory

Municipal Calendar

IGR's & Bulletins

Workshops, Seminars & Events

What's New

DOR 360



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**Editorial Board:** Robert Nunes, Robert Bliss, Zack Blake, Tony Rassias, Tom Dawley, Linda Bradley and Patricia Hunt

## In this Issue:

- [A Heartfelt Thank You](#)
- [And Thank You, Bob!](#)
- [By the Numbers](#)
- [DLS Completes First Applied Concepts in Municipal Finance Course](#)
- [Ask DLS](#)
- [Remote IT Director Program Provides Critical Services](#)

## A Heartfelt Thank You

It is with mixed emotions that I announce that my tenure here at the Division of Local Services (DLS) is coming to an end. I've accepted a position as Middleborough Town Manager and I'm looking forward to this new and exciting opportunity.

The past seven and a half years have been immensely enjoyable and I consider myself fortunate to have worked with our top-notch staff in Boston, Worcester and Springfield. They are all true professionals. It was my mission and a core part of my philosophy for a healthy state and local partnership that local officials were always treated with courtesy and respect from all members of the DLS team. Therefore, it was always energizing for me to hear feedback from local officials on how well a particular training went or that a staff person went above and beyond his or her call of duty to assist on a municipal finance issue. I'd like to thank the engaged and dedicated DLS staff who played an integral part in accomplishing that goal and wish them all the best.

Over the past three years at DLS, we focused our strategic planning initiatives on stakeholder satisfaction. We solicited input from internal and external stakeholders and implemented new initiatives with the attention of moving in a new, more customer focused direction. I met with many of the professional associations and their input was invaluable in implementing Gateway enhancements and streamlining the regulatory process. Many of you have had a real impact on the way DLS does business.

I enjoyed my countless roundtable and municipal cabinet discussions with local officials from all across this beautiful state. The forums were an opportunity for state government to hear firsthand the challenges that local officials face day in and day out. Many of the reforms, municipal relief initiatives and legislation that were enacted into law

came directly from local officials who presented those ideas and suggestions at these meetings. It was local government at its best.

In addition to my position of Deputy Commissioner and Director of Municipal Affairs, I served on the Springfield Finance Control Board and currently as fiscal overseer for the City of Lawrence. It was a great experience to have worked in both communities with such dedicated city employees. These two experiences strengthened my strong belief that the struggles and challenges a community may face can be addressed and overcome with a dedicated team, an ability to think out of the box and a focus on getting the job done. I'm pleased to say that the finances in both communities are now currently strong.

Finally, I would like to thank Governor Deval Patrick for the confidence he placed in me. His support of local government made my job so much more enjoyable. The Governor's leadership on municipal health care reform, regionalization efforts, municipal relief and the countless state programs and grant opportunities he implemented has truly made a positive difference for local government. It was a true honor and highlight of my professional career to have worked in the Patrick Administration.

It is with a heavy heart that I leave DLS. The friendships I made along the way will be long lasting. From my colleagues here at the Department of Revenue to local officials from big cities and small towns, it was a real pleasure to have worked with so many dedicated and committed public servants. I'm now looking forward to returning to the ranks of local government and while I'm sure our paths will cross again, I want to take this opportunity to say a heartfelt thank you to you all.

Robert G. Nunes  
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## **And Thank You, Bob!**

### ***City & Town Editorial Board***

On behalf of the entire staff of the Division of Local Services, the *City & Town* Editorial Board would like to thank Bob Nunes for his seven and a half years of dedicated service and leadership.

Bob is a tireless advocate for cities and towns and his efforts and initiatives focused on increasing communication and accessibility between DLS and our colleagues in municipal government. His support for strategic planning and stakeholder engagement will have a lasting impact on the Division and his open door policy and presence at meetings and events across the Commonwealth fostered a collaborative environment. His opinions and direction helped shape *City*

& Town into one of the largest municipal finance-related publications in Massachusetts. We applaud his accomplishments during his time at the Division of Local Services and will miss both his dedication to service and his wife's delicious toffee treats.

Thank you, Bob. We truly wish you the best in all your future endeavours.

## By the Numbers

In order to provide an update on the progress of the ongoing tax rate and certification season, below please find an overview of the ongoing process. The following information is accurate as of close of business on Wednesday, November 5th, 2014:

Preliminary Certifications: 79 Communities Approved

Final Certification: 26 Final Certifications

La4/ New Growth: 162 Approved (207 Submitted)

Tax Rates: 47 Approved

Balance Sheets: 199 Approved

Aggregate Free Cash Approved Total: \$744,416,709

## DLS Completes First Applied Concepts in Municipal Finance Course

**Dan Bertrand - Director of Communications and Policy**

Last week, the Division of Local Services finished the first Applied Concepts in Municipal Finance course. Over 30 employees currently serving in an official capacity within municipal governments across the Commonwealth attended the five-session course with DLS instructors providing overviews of state and municipal government, an introduction to municipal finance law, DLS Gateway, the Municipal Databank and online tools, budgeting and capital planning, revenue sources, reserves and free cash, Proposition 2 1/2, property assessment, the tax recapitulation process and financial management.

We would like to thank all the attendees for their participation as well as the DLS staffers who played the critical role of knowledgeable instructors covering a wide array of subject matters. Also, we'd like to thank Susan Brogan and the entire staff of the Cummings School of Veterinary Medicine at Tufts University for hosting the course and Victor Medeiros from Standard and Poor's for serving as a guest speaker. Initial feedback has been overwhelmingly positive with every

municipal official surveyed indicating that he or she would recommend the course to a colleague.

In the coming weeks and months, we will review the course with the potential to provide similar informational and educational opportunities in the near future. Stay tuned!

## **Ask DLS**

This month's *Ask DLS* features frequently asked questions regarding the property tax exemptions available to religious organizations. Please let us know if you have other areas of interest or send a question to [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). We would like to hear from you.

### **Does a religious organization qualify for a property tax exemption?**

Yes. The following property of a religious organization is exempt from local property taxes:

- 1.) The personal property (a) owned by or (b) held in trust within Massachusetts by a religious organization of any denomination if the principal or income is used for religious or charitable purposes. [MGL c. 59, sec. 5, Clause 10.](#)
- 2.) The pews and furniture of a religious organization. [MGL c. 59, sec. 5, Clause 11](#)
- 3.) A church, synagogue, mosque or other house of religious worship (a) owned by, or (b) held in trust for the exclusive benefit of, a religious organization of any denomination. [MGL c. 59, sec. 5, Clause 11.](#)
- 4.) A parsonage (a) owned by, or (b) held in irrevocable trust for the exclusive benefit of, a religious organization of any denomination. [MGL c. 59, sec. 5, Clause 11.](#)

### **What is the qualification date for a religious organization exemption?**

Exempt status is determined as of July 1, which is the first day of the fiscal year. To qualify for an exemption from the taxes assessed for that fiscal year, the religious organization must meet all eligibility criteria as of that date. [MGL c. 59, sec. 5.](#) It is not entitled to a pro-rata exemption for property acquired after July 1 and should ensure that any taxes for that fiscal year are addressed when closing on the acquisition.

### **Is a religious organization required to file an annual return ([Form 3ABC](#)) to obtain a property tax exemption?**

A religious organization is not required to file an annual return ([Form](#)

[3ABC](#)) unless it is seeking an exemption as a charitable organization under [MGL c. 59, sec. 5, Clause 3](#) for real property it owns and uses for other than a house of worship or parsonage, for example, a school, health care or social service facility. In that case, it must follow the same procedures as a charitable organization to obtain the exemption. However, it does not have to file any specific form to establish exempt status for its house of worship or parsonage.

### **What is a house of worship?**

A house of worship is a building or structure which is owned by, or held in trust for, a religious organization, which uses and occupies it for purposes of religious services or instruction. It includes the land under the building, land accessory to the use of the building, such as parking lots, and halls used for religious classes and other religious activities. Incidental or occasional use for other purposes does not impact the exemption, but any part of the property regularly leased or occupied for other purposes is taxable. See *Evangelical Baptist Benevolent and Missionary Society v. City of Boston*, 204 Mass. 28 (1910); *All Saints Parish v. Brookline*, 178 Mass. 404 (1901); *Boston Society of Redemptorist Fathers v. City of Boston*, 129 Mass. 178 (1880).

### **Is property acquired by a religious organization for a future house of worship exempt?**

Property acquired and held by a religious organization for a future house of worship is not exempt unless construction or renovation is underway on the July 1 exemption qualification date. See *All Saints Parish v. Inhabitants of Town of Brookline*, 178 Mass. 404 (1901) (Land acquired for future house of worship is not exempt where construction had not begun); *Trinity Church v. Boston*, 118 Mass. 164 (1875) (Land for future house of worship upon which construction was underway by driving piles for the foundation is exempt). There is no grace period found in [MGL c. 59, sec. 5, Clause 11](#) as there is in [MGL c. 59, sec. 5, Clause 3](#) for real property acquired by a charity for purposes of relocation.

### **What is a parsonage?**

A parsonage is a ministerial residence used in connection with a house of worship of any denomination. It must be occupied by the religious leader, pastor or other clergy person, who regularly officiates at or conducts religious services in a house of worship. *Assessors of Boston v. Old South Society in Boston*, 314 Mass. 364 (1943); *Worcester District Stewards New England Conference of Methodist Episcopal Church v. Assessors of Worcester*, 321 Mass. 482 at 486 (1947) ("...the residence of a minister used in connection with his duties in a house of religious worship.").

### **Is a residence owned by a religious organization and rented to the organization's religious education director, or other employee,**



## exempt?

The exemption under [MGL. c. 59, sec. 5, Clause 11](#) applies only to houses of worship and ancillary facilities, parsonages, and certain other ecclesiastical residences. Therefore, a house owned by a religious organization is not exempt as a parsonage if someone other than its religious leader, pastor, or other active clergy person for the congregation, occupies it as of the July 1 exemption qualification date.

However, if the religious organization separately qualifies as a charitable organization under [MGL c. 59, sec. 5, Clause 3](#), the residence may be exempt if the occupancy by the organization's officer or employee is consistent with the charitable purposes of the organization. To qualify, the organization must establish that (1) the housing is provided as a means of adjusting the employee's compensation so that any rent paid is nominal and not intended to produce income for the organization, (2) the residency is a condition of employment, and (3) the residency is essential to the success and efficiency of the institution. See *Board of Assessors of New Braintree v. Pioneer Valley Academy*, 355 Mass. 610 (1969) (Rent free living quarters at secondary school where faculty members were required to live were tax exempt because residency essential to the education of the students); *South Lancaster Academy v. Inhabitants of the Town of Lancaster*, 242 Mass. 553 (1922) (Student residential cottage also occupied by principal as a condition of employment who paid nominal amount for heating and lighting was tax exempt because residency essential to education of the students); *Wheaton College v. Norton*, 232 Mass. 141 (1919) (Houses supplied rent free to chief engineer and building superintendent who were required to live there were tax exempt because use was consistent with educational purpose of school). Compare *President and Trustee of Williams College v. Assessors of Williamstown*, 167 Mass. 505 (1897) (House owned and leased by college to professor was not occupied for college purposes but solely for private purposes and was not tax exempt).

## Remote IT Director Program Provides Critical Services

**David L. Davies - Information Technology Director**

In recent years, the Division of Local Services has actively assisted communities that lost critical financial data, often at the worst possible time. As more and more municipal information assumed various digital forms, DLS became acutely aware that in communities without dedicated Information Technology staffing (the majority in Massachusetts) protections for that data ranged from non-existent to pretty good, depending on ever-changing factors in each community. Over the years, in [two articles](#) in *City & Town* and in presentations to municipal associations, DLS advocated for data protection solutions specifically targeted to smaller towns.

Over those same years, prices have steadily dropped for various kinds of related services. As a result, when the administration announced another round of Community Innovation Challenge grants last year, DLS encouraged the Community Software Consortium (CSC) and the Town of Washington to jointly propose a start-up data protection program for small towns that, given reasonable participation, would be self-supporting in subsequent years. That proposal obtained funding and began an evaluation phase last spring.

The program is built around two key considerations:

- In subsequent years, it must be deemed affordable by towns with the smallest budgets. The program, therefore, must trim levels of services down to the most essential and deliver them remotely. Travel time is unaffordable.
- For most towns without IT staffing, the critical question is not *how much* services cost but *who* will implement and monitor those services. This program supplies the *who*, someone accountable for data protection answerable to the selectboard and town administrator.

### **What does this program provide?**

- Online internet backup/restoration services through Carbonite, covering any or all municipal computers up to 250 GB of data storage. (The backup program selects only data files, e.g. documents, spreadsheets, databases, photos, etc.) Subscriptions to higher storage levels are available from Carbonite, but may not be fully covered under the grant program.
- Daily monitoring of backup status.
- Anti-virus software status checking.
- Full data and software imaging of key municipal servers or desktops as part of a disaster recovery plan (although the program is still working on an affordable strategy to avoid on-site visits for periodic disk imaging).
- Remote access to covered desktops and servers to resolve particular issues. Remote access is the key strategy for keeping costs down over the long run, but is a challenge to implement when computers are routinely turned off or employees deny access when prompted because of concerns about unauthorized users.
- Provision of standard information technology policy templates for Board of Selectmen consideration when such are not already

adopted in the community, e.g. Acceptable Use policy for staff, Privacy Protection, Disaster Planning.

- A jointly signed memorandum of understanding to clarify and guide expectations.

The program provides solutions that towns could obtain on their own. However, without employees specifically charged with obtaining and monitoring such services, data may go unprotected despite the best intentions of community leaders. Some communities already back up some data to servers or devices in the town hall. This program can offer an extra layer of inexpensive off-site protection to those communities, some of whom have already signed up for just that purpose.

If internet backup is necessary and inexpensive, what are the drawbacks? Restoration of data backed up to the internet does not occur with the speed and immediacy of restorations from disk drives within the town hall. A town's business continuity expectation (i.e. the lag between a server crash and a return to normalcy) is contingent on a willingness to pay for backup solutions with immediate response times. This program aims to provide basic protection at an affordable price for very small towns. Many other possible strategies exist for larger communities, for whom an outage must be limited to hours, not days.

Towns are not obligated to continue in the program after the grant subscriptions expire. What might be the costs for a town that has determined that the continuing program offers important protection at an affordable price?

#### **Future cost elements (After July 1, 2015):**

- Membership in the CSC in a newly created tier will ensure that participating communities control the objectives, components, and costs of the continuing program. Each town participating in the Remote IT Director tier would have one vote in any decisions. General CSC community dues are now set at \$750 annually. Towns can limit CSC participation to only the programs in which they are interested.
- CSC Tier assessments for program expenses, e.g. contracted staff, miscellaneous software licensing. This per community cost will depend on the number of participating communities, but those communities will determine themselves what the cost should be for the services they select.
- Carbonite subscriptions after the anniversary date of their initial activation. Varies depending on the amount and type of storage needed by the community. CSC volume and "partner" discounts are extended to participating communities to lower their final



cost. Typical costs range from \$215 to \$670 annually.

### **What is the participation to date?**

Ten towns have signed up for the evaluation phase of the program and are receiving data protection services. Forty-five communities responded to a recent email reminder, some asking for additional information or details on joining. Sixteen of these (as of 10/31/2014) have signed up or expressed a clear intention to do so. By our estimation, this level of participation establishes a critical mass of small communities able to sustain the program at affordable cost in future years and justifies the state start-up investment.

For additional questions, please contact Rebecca Krause-Hardie, Executive Director, CSC at [rebecca@csc-cloud.us](mailto:rebecca@csc-cloud.us).

## **November Municipal Calendar**

<b>November 1</b>	<b>Taxpayer</b>	<b>Semi-Annual Tax Bill - Deadline for First Payment</b>  According to MGL Ch. 59, Sec. 57, this is the deadline for receipt of the first half semi-annual tax bills or the optional preliminary tax bills without interest, unless bills were mailed after October 1, in which case they are due 30 days after mailing.
<b>November 1</b>	<b>Taxpayer</b>	<b>Semi-Annual Tax Bills - Application Deadline for Property Tax Abatement</b>  According to M.G.L. Ch. 59, Sec. 59, applications for abatements are due on the same date as the first actual tax installment for the year.
<b>November 1</b>	<b>Taxpayer</b>	<b>Quarterly Tax Bills Deadline for Paying 2nd Quarterly Tax Bill Without Interest</b>
<b>November 1</b>	<b>Treasurer</b>	<b>Deadline for Payment of First Half of County Tax</b>
<b>November 15</b>	<b>DESE</b>	<b>Notify Communities/Districts of Any Prior Year School</b>

		<b>Spending Deficiencies</b>  By this date, or within 30 days of a complete End of Year Report (see September 30), DESE notifies communities/districts in writing of any additional school spending requirements.
<b>November 30</b>	<b>Selectmen/Mayor</b>	<b>Review Budgets Submitted by Department Heads</b>  This date will vary depending on dates of town meeting.
<b>Final Day of Each Month</b>	<b>State Treasurer</b>	<b>Notification of monthly local aid distribution.</b>  Click <a href="http://www.mass.gov/treasury/cash-management">www.mass.gov/treasury/cash-management</a> to view distribution breakdown.

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